Indication of a trending stock: SMA 50

Very often strong pullbacks overshoot support of MA50. One Moving Average can not catch all pullbacks. We need one more lower support line to form a ***demand channel*** *together with MA50*

Lower support (*"safety net"*): EMA 89

Together, an upward sloped 50 MA and ***Exponential Moving average 89 MA*** *form a* ***demand channel****, a safety net that often catches corrective pullbacks in course of bull runs*

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Lower support (*"safety net"*): EMA 89

Now we can fine tune rules of our first strategy:
We look for a stock that recently hit 60 day new higher high and then pulled back to the demand channel formed by ***upward sloped*** *50 MA and 89 EMA*

Even if a pullback overshoots support of 50 MA then price finds stronger support at the safety net of 89 EMA

Takeaways

- We can add 89 day exponential moving average to create a demand channel capable of catching even strong pullback